

The opinion in support of the decision being entered today was **not** written for publication and is **not** binding precedent of the Board.

Paper No. 33

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte EUGENE HOWARD MASSEY JR.

Appeal No. 2004-0298
Application No. 09/385,226

HEARD: May 6, 2002

Before BARRETT, RUGGIERO, and LEVY, Administrative Patent Judges.
RUGGIERO, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal from the final rejection of claims 1-52, which are all of the claims pending in the present application.

The claimed invention relates to a method for funding the production of a movie by initially presenting a storyboard synopsis of the movie on the production company's Internet web site. Interested potential viewers of the movie are permitted to purchase

a share of the production company's stock prior to production of the movie. The purchase of a share of production copy stock provides the shareholder the right to obtain a free copy of the completed movie as a dividend. Stock purchasers also obtain the right to participate in the production of the movie by "voting" for certain options related to the movie's production. Production of the movie is not commenced until the number of shares of stock sold is sufficient to cover the estimated cost of making the movie.

Claim 1 is illustrative of the invention and reads as follows:

1. A method for financing production of a movie, via a sale of a security, comprising the steps of:

displaying a synopsis of the movie, not yet produced, on an internet Web site, wherein the synopsis comprises a group of illustrations with accompanying narrative description of the movie's story line; and

providing a mechanism comprising the sale of the security, which is an investment in the not yet produced movie, presented via the Web site, wherein a single copy of the movie is offered as a dividend for each said security to a viewer of the Web site, prior to completion of the production of the movie.

The Examiner relies on the following prior art:¹

The Plain Dealer (Plain Dealer), "Film Investments Can Be More Glitz Than Substance," Cleveland, Ohio, 1-2, (October 1998).

St. Paul Pioneer Press Dispatch (St. Paul), "Barbers 'Dividends' Looking Good," St. Paul Pioneer Press, 1 page, (January 1992).

¹ In addition, the Examiner relies on Appellant's admissions as to the prior art at pages 2 and 3 of the specification.

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John W. Cones and Pete Wilke (Cones), "Internet Film Offerings,"
203-205 (1998).

Successful Farming, "Feeder Pig Factories," 1 page (March 1978).

Claim 1-52, all of the appealed claims, stand finally rejected under 35 U.S.C. § 103(a) as being unpatentable over the admitted prior art in view of Plain Dealer, Cones, St. Paul, and Successful Farming.

Rather than reiterate the arguments of Appellant and the Examiner, reference is made to the Briefs² and the Answer for the respective details.

OPINION

We have carefully considered the subject matter on appeal, the rejection advanced by the Examiner and the evidence of obviousness relied upon by the Examiner as support for the rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, Appellant's arguments set forth in the Briefs along with the Examiner's rationale in support of the rejection and arguments in rebuttal set forth in the Examiner's Answer.

² The Appeal Brief was filed July 28, 2003 (Paper No. 21). In response to the Examiner's Answer mailed September 29, 2003 (Paper No. 23), a Reply Brief was filed October 17, 2003 (Paper No. 24), which was acknowledged and entered by the Examiner in the communication dated October 21, 2003 (Paper No. 25).

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It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the obviousness of the invention as recited in claims 1-52. Accordingly, we reverse.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the Examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hospital Systems, Inc. v.

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Montefiore Hospital, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the Examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992).

With respect to each of the appealed independent claims 1, 20, 27, 42, and 46, Appellant's response to the obviousness rejection asserts a failure by the Examiner to establish a prima facie case of obviousness since proper motivation for the Examiner's proposed combination of references has not been set forth. After reviewing the arguments of record from Appellant and the Examiner, we are in general agreement with Appellant's position as stated in the Briefs.

In particular, we agree with Appellant that the St. Paul and Successful Farming references, applied by the Examiner as providing teachings of offering "in-kind" dividends to investors in lieu of cash, are directed to fundamentally different problems with fundamentally different solutions than the movie financing method claimed by Appellant. As asserted by Appellant (Brief, pages 14 and 15; Reply Brief, pages 4-6), St. Paul describes a one-time certificate redeemable for a haircut or unspecified product as a

"thank you" to investors in a hair salon company, not as any kind of offered dividend as an incentive to invest in a company.

Similarly, we agree with Appellant that the Successful Farming reference merely discloses a technique for assuring a constant supply of a product, in this case feeder pigs, to an investor, in contrast to the claimed invention which is directed to the sale of a security in combination with the offer of a copy of a not yet produced product, i.e., a movie, as a dividend. The mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification. In re Fritch, 972 F. 2d 1260, 1266, 23 USPQ2d 1780, 1783-84 (Fed. Cir. 1992). In our view, given the disparity of problems addressed by the applied prior art references, and the differing solutions proposed by them, any attempt to combine them in the manner proposed by the Examiner could only come from Appellant's own disclosure and not from any teaching or suggestion in the references themselves.

We are further of the opinion that even assuming, arguendo, that proper motivation were established for the Examiner's proposed combination of references, we fail to see how and in what manner the references could be combined to arrive at the specific combination set forth in the appealed independent claims. As

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enumerated at page 5 of the Brief, and again at pages 3 and 8 of the Reply Brief, the movie production financing method set forth in the appealed claims requires the offer of a specific dividend in the form of a copy of a not yet produced specific and unique movie in connection with the sale of a security, i.e., a share of stock, features which we find neither taught nor suggested by any of the prior art applied by the Examiner.

In conclusion, since we are of the opinion that the prior art applied by the Examiner does not support the obviousness rejection, we do not sustain the rejection of independent claims 1, 20, 27, 42, and 46, nor of claims 2-19, 21-26, 28-41, 43-45, and 47-52 dependent thereon. Therefore, the decision of the Examiner rejecting claims 1-52 under 35 U.S.C. § 103(a) is reversed.

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REVERSED

LEE E. BARRETT)	
Administrative Patent Judge)	
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)	BOARD OF PATENT
JOSEPH F. RUGGIERO)	APPEALS
Administrative Patent Judge)	AND
)	INTERFERENCES
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STUART S. LEVY)	
Administrative Patent Judge)	

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